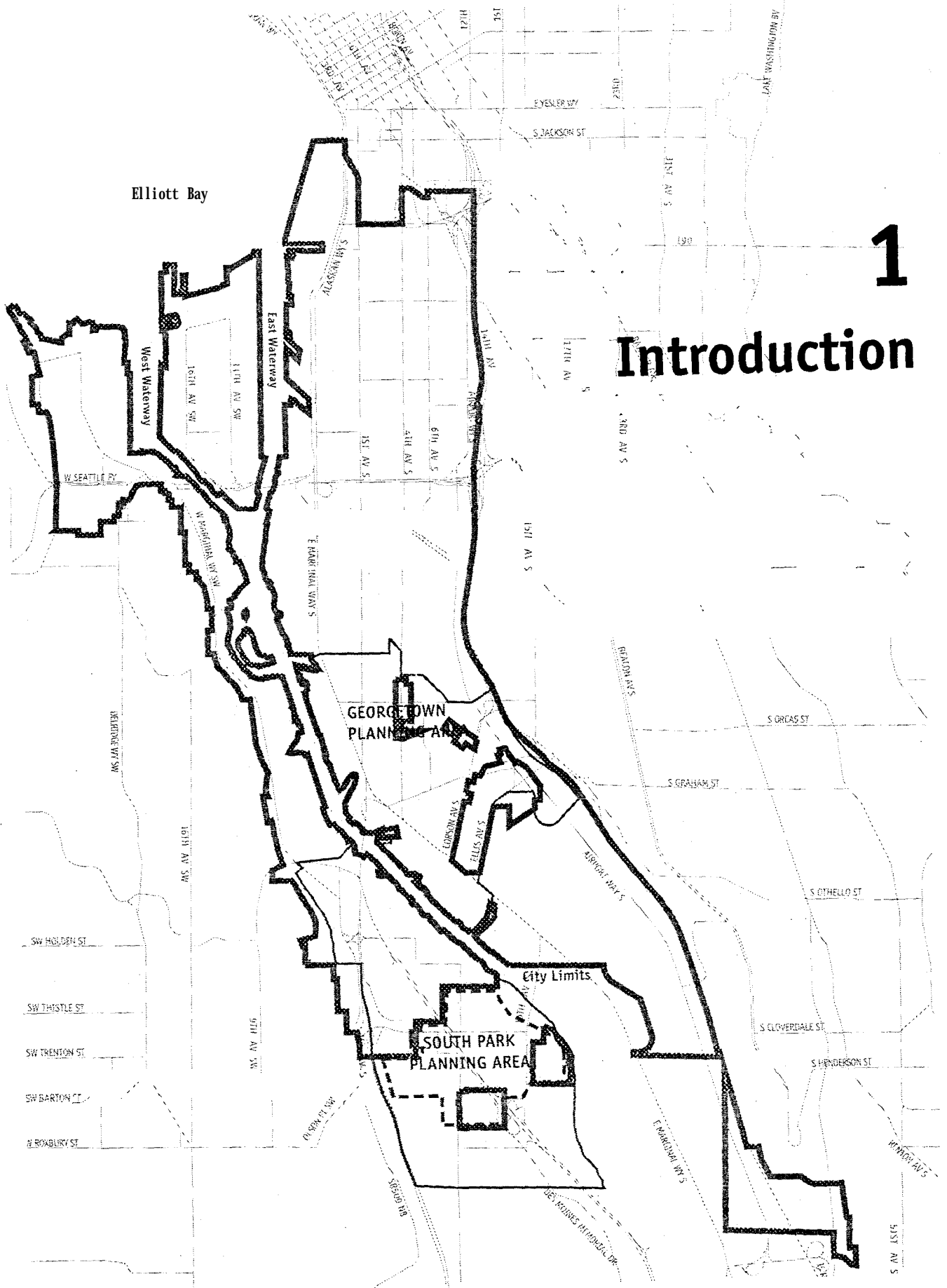


Introduction



Introduction

The Greater Duwamish Manufacturing and Industrial Center Plan

The Greater Duwamish Manufacturing and Industrial Center was created in 1994 through adoption of the 20-year Seattle Comprehensive Plan. The Greater Duwamish Manufacturing and Industrial Center (M and I Center) and the Ballard/Interbay Northend Manufacturing and Industrial Center (BINMIC) are the only two such manufacturing and industrial centers in the entire city. The City subsequently established the Neighborhood Planning Program to address population and economic growth for the City as a whole and for specific areas within the City, including the Duwamish M and I Center.

This Plan has been prepared in support of a city land use planning effort focused on the designated Manufacturing and Industrial Center located in the Duwamish Valley between downtown Seattle and the Ring County Airport.

This Plan contains separate sections which address jobs and economics, land use, transportation, utilities, environmental remediation, and public safety. Conclusions and recommendations for each topic are presented separately within each chapter of the Plan.

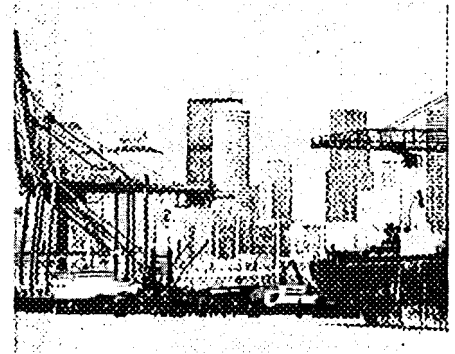
The primary purpose of the Duwamish M and I Center Planning process is to create a plan that supports and implements the following goals and policies:

- Analyze the ability to achieve the growth target of 10,860 new family wage industrial jobs, and promote policies to encourage manufacturing and industrial retention and growth;
- Restrict incompatible or competing land uses in the industrial areas;
- Retain and improve access to industrial areas and transportation routes within these areas;
- Encourage the aggregation of smaller parcels of land into sites suitable for manufacturing and industrial use when not in conflict with established transportation corridors or access to east-west arterials.

The M and I Center Plan grew out of the North Duwamish Neighborhood Plan, Phase 1; which identified past, present, and future issues to be addressed in Phase 2 (the M and I Center Plan). Public outreach was conducted to involve stakeholders and to provide information and education about the importance of the manufacturing and industrial areas. Phase 2, this M and I Center Plan, developed this set of analyses and recommendations to achieve the project goals and to identify implementation actions.

The land use component of this Plan has four primary purposes:

1. To verify the M and I Center Plan's consistency with the Seattle Comprehensive Plan and promote appropriate changes;
2. Proposals to enhance the viability of the M and I Center;
3. To **identify** any inconsistencies between the city's industrial policies and its zoning and development standards; and



4. To determine whether the current Duwamish M and I Center boundaries are appropriate and suggest whether the boundaries should be changed.

Information was obtained through meetings and discussions with representatives of the Seattle Office of Management and Planning and the Neighborhood Planning Office. The Plan also contains information gathered through the public outreach program, including opinions and recommendations of property owners, M and I Center constituents, and other stakeholders.

Greater Duwamish Planning Committee

The GDPC represents constituent groups in the M and I Center, including heavy and light industry, marine industry, commercial businesses, artists' live/work housing, the Port of Seattle, Burlington Northern Santa Fe railroad, the Boeing Company, the trucking and construction industries, and the SODO, Georgetown and South Park Business Associations.

Purview of the Plan

The M and I Center Plan was developed by the Greater Duwamish Planning Committee (GDPC), a group of volunteer citizens representative of a wide range of industrial and commercial businesses and government interests (and other constituencies) in the M and I Center. The Plan was funded primarily by the City of Seattle, with contributions from the Port of Seattle, Boeing, the Public Facilities District, and First and Goal.

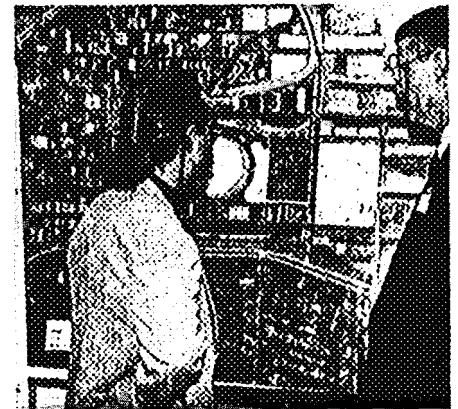
The Greater Duwamish M and I Center Plan is the product of the second phase of the planning process, evolving from the North Duwamish Neighborhood Plan. In order to do more cohesive analyses and planning, the planning area for Phase 2 (this Plan) was expanded to include the entire M and I Center. Phase 1 priorities which came from public input were Transportation, Economic Development, Land Use and Zoning, and (the need to address) the cumulative impacts of large scale projects in the M and I Center.

Technical analyses of economics and jobs, land use, and transportation were performed by the consultant team to provide information and analysis for the major plan elements.

Community Participation

This M and I Center Plan was prepared with the input of hundreds of citizens over the past 3 years. During this phase, community input was gathered in the following ways:

- Three "Big Events" (summer 1998), where participants responded to questions soliciting their preferences about land use, transportation, zoning, and other topics;
- Newsletters mailed to every business in the M and I Center, asking for participation and input;
- Informational presentations to affected groups such as the SODO Business Association, the Georgetown Business Association, and the South Park Business Association;
- Questionnaires mailed to every business in the M and I Center; and
- Coordination with and preliminary recommendations from the Manufacturing and Industrial Council.



Plan Review and Approval - Process/Next Steps

This draft Plan will go through extensive review and revision before being forwarded to the Seattle City Council for approval. Reviews will include:

- Mailer to be sent to every business and property owner in the M and I Center,
- Public meetings and opportunities for public comment on Draft Plan to be held in the spring of 1999,
- Full GDPC review and revise proposed plan in light of public comments,
- City of Seattle executive review and response,
- City Council public hearing and review, and
- Adoption of policy recommendations.

Role and Function of the M and I Center

Regional Significance of the Greater Duwamish Manufacturing and Industrial Center

The regional significance of the Greater Duwamish Manufacturing and Industrial Center to the City of Seattle and the Puget Sound Region cannot be overemphasized. Comprised of some 4,138 acres of marine and industrial lands (City of Seattle, 1998), the Greater Duwamish Manufacturing and Industrial Center (M and I Center) is a unique regional resource and economic engine. The viability of the M and I Center is currently challenged by developmental pressure, lack of infrastructure, and changing trends in industry and employment. The proposals in this plan are intended to protect, preserve, and enhance industrial viability. The M and I Center must not only preserve the existing land base but also be prepared to meet the needs of industry in the 21st century.

Bounded by I-5 on the east, West Seattle on the west, Downtown Seattle to the north, and Boeing and the City of Tukwila on the south, the Greater Duwamish Manufacturing and Industrial Center is one of five manufacturing and industrial Centers within the Puget Sound Region. As one of the two designated M and I Centers in the City of Seattle, the Duwamish M and I Center represents 84 percent of the industrial lands within the City.

Irreplaceable Industrial and Marine Land Base

Due to regional and global changes in industry and employment, the total land area devoted to industrial and water-dependent uses has declined significantly in Seattle in the last decades, increasing the importance of this limited and unique industrial resource. Because of these changing economic trends and pressure to convert industrial lands to other commercial uses, the Duwamish M and I Center needs to be preserved and protected in perpetuity from ongoing pressures. The M and I Center needs both land use protection and infrastructure improvements to ensure that the existing jobs and revenue base are preserved and that the M and I Center can attract and support new family-wage jobs to the City of Seattle.

While commercial and residential uses can occur in a large variety of zones throughout the City and Region, industrial uses are extremely limited geographically, with few options to expand the existing industrial land base,

making the preservation of this scarce resource all the more imperative. In addition, the marine industrial lands within the M and I Center are the regional center for shipping and trade with the Pacific Rim. This resource cannot be duplicated if marine lands are converted to nonindustrial uses (as has occurred elsewhere in the region).

The pressure to convert to nonindustrial uses has increased dramatically in the 1990s and is likely to continue to increase into the foreseeable future without active intervention. Factors contributing to the increasing conversion pressure include the general strength of the local and national economies, the M and I Center's proximity to downtown, the low vacancy rates in nonindustrial zones, and the current land use code which permits large scale nonindustrial uses. In addition, the Duwamish M and I Center has been an industrial area for a very long time and suffers from changes in standards of use, leaving most sites with some level of environmental contamination. In some cases, industrial businesses have deferred maintenance and improvements, leaving facilities in need of enhancements or modernization.

Assets of the M and I Center

At the same time, the M and I Center has a number of assets which have kept it viable and which continue to make the Center attractive to industry, including low electrical rates, access to water (for transportation and the seafood processing/storage industry), access to multi-modal transportation (freeways, highways, rail, harbor facilities, and airports), proximity to Boeing corporate headquarters, Boeing research facilities, and the Boeing Renton assembly plants, access to a large pool of highly-skilled industrial workers, and access to an even larger pool of potential entry-level workers. City policies and actions need to build upon these long-term assets to support business growth and family-wage jobs.

Employment Base

The Greater Duwamish Manufacturing and Industrial Center supports a major portion of the employment in the Puget Sound region. In 1997 there were approximately 60,700 jobs in the Duwamish Manufacturing and Industrial Center, with the majority of these jobs in the heavy and light industrial categories (which include manufacturing, transportation/communications/utilities and wholesale trade). Together, these industrial jobs represent approximately 67 percent of employment in the Duwamish M and I Center.

(Additional detail about jobs and employment is provided in Appendix B).

Revenues Generated in the M and I Center

Revenues generated in the Duwamish bear a significance far greater than simply a tally of payrolls. The industrial employment sector typically generates more economic impacts than other types of businesses. For example, according to the IMPLAN model for King County, the multiplier for retail employment ranges from 1.34 to 1.61. This means that for every job in the retail sector, another 0.34 to 0.61 jobs are created. Industrial sectors have multipliers averaging between 1.72 for the boat and ship building & repairing sector and a multiplier of 2.80 for the water transportation sector.

The total impact from wages paid in the retail sector is also substantially less than the wage impact of other industry sectors. In the retail sector, the wage multiplier for eating & drinking establishments is 1.64, meaning that for every \$1.00 paid in wages to restaurant workers, another \$0.64 in wages are generated across all industry sectors. Industrial sectors have multipliers ranging between 1.66 for the wholesale industry sector and 2.58 for the motor freight transportation sector. The hotels & lodging sector is similar to the food service sector, with a wage multiplier of 1.68, and most other services fall in the range of 1.30 to 1.90.

The Duwamish Waterway is an important transportation corridor with regional and national significance and the lifeline to Southeast and Western Alaska. Domestic and international traffic via the waterway amounts to approximately 7.2 million tons, valued at approximately \$7.5 billion. In addition, most of the products bound for Alaska originate in the Seattle area, which increases the economic significance of the waterway to the City of Seattle and King County.

The Duwamish industrial area is an extremely important employment base and revenue generator for the City's budget with annual tax revenues of approximately \$67 million. The economic development strategy for the Duwamish industrial area is designed to recognize, foster and protect this important employment and tax base, generating:

- Approximately \$19.5 million in property taxes, which represents four percent of overall property taxes collected in the City of Seattle;
- Approximately \$1.2 million in leasehold taxes by tenants of the Port of Seattle; and
- Approximately \$46 million in sales/use and B & O taxes, representing 21 percent of such taxes collected in the City of Seattle.

Family- Wage Jobs

A key goal of the Seattle Comprehensive Plan is to "keep family-wage manufacturing jobs from leaving the city". The City has several goals to accomplish this:

- To enhance the region's economic prosperity and accommodate a reasonable share of the region's economic growth;
- To increase opportunity and equity for the city's distressed communities, raise personal incomes, and increase tax revenues; and
- To promote Seattle's involvement in the emerging global economy by creating a positive environment for international trade.

To actively promote an employment environment that provides livable wage jobs and the education and skill-building opportunities to ensure employability for community members. It is very important to recognize the contribution that industry makes in terms of providing a large number of well paid "livable or family" wage blue-collar jobs. The jobs which are located in the M and I Center represent not only employment numbers, but jobs which pay substantially higher wages than the average wage in King County. Emphasis has been placed both in existing policy directives and in the preparation of this plan on the preservation and creation of family-wage jobs rather than service sector jobs which do not pay as well.

Industrial family-wage jobs provide additional benefit to the region because they create opportunities for higher-paying employment to people with different levels of formal education and to people who may speak English as a second language.

Investment in industrial jobs benefits the economy in ways that service jobs do not. Industrial jobs generate higher employment throughout the region through the sale and shipment of both raw goods and finished products. Small manufacturers in particular depend upon the local economy for goods and services, thus diversifying the local economy.

Different industry sectors contribute different amounts to the regional economy. Average annual wages are an important consideration in measuring the contribution that industry makes, in terms of providing stable family wage jobs and generating significant local spending and tax revenues. In 1997, the annual average wage in Ring County generated approximately \$37,299, which translates roughly into an hourly wage of above \$18 an hour for full time, year-round employment. Most industrial jobs meet or exceed the average wage:

- Manufacturing jobs averaged \$44,621 or 19.6 percent above the average;
- Transportation & public utilities jobs averaged \$40,801 or 9.4 percent above the average;
- Wholesale trade jobs averaged \$42,197 or 13.1 percent above the average; and
- Construction jobs met the average wage standard (Source: BST Associates).

On the other hand, retail jobs generated slightly more than one-half of the average wage. Although services generated ten percent more than the average in total, hotel workers and personal service workers received an average of only \$18,693 and \$17,695 per year, respectively.

Transportation Crossroads for the Region

The Greater Duwamish Manufacturing and Industrial (M and I) Center is a vital international trade and transportation crossroads, receiving and distributing goods via roadway, water, rail and air. It is home to the Port of Seattle's primary shipping operations, the main Amtrak and freight rail yards for Washington State, and the intersection of major interstate highway routes. Commerce generated throughout the United States and Canada moves through the area on its way to and from Alaska and countries throughout the Pacific Rim, South America, and other areas of the world. The transportation system within the M and I Center plays a crucial role in the movement of these goods and services and holds economic implications for the entire state and Pacific Northwest region. An efficient transportation system is imperative to maintain the economic viability of regional businesses and sustain Puget Sound's family wage industrial job base.

In addition to the significance of this district as a regional and international trade center, most local businesses rely on the available land-base and transportation facilities to manufacture, distribute, and store goods and services for the Puget Sound region and greater Western Washington. As an indicator of this significant component, over 70 percent of the total employ-

ment base within the district is generated by small businesses. As such, the local transportation needs of small industrial businesses within the area weigh heavily in the development of long range transportation solutions and land use decisions for the M and I Center and its regional arterial connections.

*Challenges to Viability **of** the M and I Center*

The M and I Center is located in the very complex heart of Seattle and faces major challenges to its continued viability. Additional challenges include:

- The City of Seattle policies and Land Use Code, which fail to recognize the problems created by allowing incompatible uses in industrial areas, and currently permit a wide variety of such uses;
- The planning and construction of some 28 large development and infrastructure (many of which are nonindustrial) projects in the area without addressing the cumulative impacts of such a large degree of change;
- Transportation bottlenecks and Business and Occupation Tax on inventory, which greatly adds to the cost of doing business in the City of Seattle;
- Uncertainty in permit and development process;
- Lack of a cohesive plan for land use and infrastructure improvements,
- Deferred improvements to basic infrastructure, especially transportation and drainage,
- Changing industrial standards in terms of processes and safety and environmental regulations,
- Changing manufacturing and employment trends, including increased automation,
- Proximity to downtown Seattle, which creates pressure to convert industrial land to commercial uses,
- Complex and burdensome regulatory environment in terms of substance and enforcement,
- Existing soil and groundwater contamination on most M and I Center parcels and prohibitive cost of cleanup,
- Location of nonindustrial public facilities in the industrial area, including two major sports stadiums,
- Need for trained work force,
- Lack of coherent strategies to attract and retain jobs,
- Rising land costs due to increase in nonindustrial uses proximate to downtown,
- Lack of a system in the City of Seattle to determine City tax revenues, which contributes to conversion of privately held industrial land to public facilities uses,
- Lack of larger sites to meet the need of growing industrial businesses,
- Need for more trained economists on City staff.

The designation of the M and I Center in County and City policy, the creation of this Plan, the healthy economy, and ongoing efforts with environmental remediation and of the advocacy of the Manufacturing and Industrial Council all indicate significant political and community will to preserve and expand the viability of the M and I Center.

Although the adopted County-wide Planning Policies and the City of Seattle Comprehensive Plan designate the area as a Manufacturing and Industrial Center, they do not adequately protect it from encroachment of nonindustrial uses. Current land-use codes and their interpretation have not been revised to prohibit the location of significant amounts of nonindustrial land uses to locate in the industrial area. Therefore increasing numbers of permitted nonindustrial uses have continued to locate within the M and I Center, further decreasing options for industrial expansion and development and stimulating significant increases in land costs, making continuation of business difficult for industrial users.

The M and I Center is also home to a number of public facilities. While some generate family-wage jobs, they do not generate both the tax and export revenues generated by private industry.

A recent proposal from the City of Seattle (opposed by the GDPC) would extend the downtown boundary into what is currently the northern end of the M and I Center, thus reducing overall acreage and introducing incompatible nonindustrial uses, such as housing and retail, into the industrial area. These proposals would also bring large numbers of the public into the industrial area, which is largely incompatible with the nature of the industrial land uses. Large numbers of the public bring in automobile traffic, which often conflicts with heavy intermodal freight movements. Also, industrial occupancies, as defined in the building and fire safety codes, are based on the assumption that industrial processes occur in areas not frequented by the general public.

Policy Directives for the M and I Center Plan

The Greater Duwamish Manufacturing Center was designated as such in the adopted county-wide planning policies and the Seattle Comprehensive Plan as part of the Growth Management Planning process. The policies and criteria for their implementation have guided the development of the M and I Center Plan. Applicable policies are summarized below, but can be found in full in Appendix A, Policy Directives for the M and I Center Plan.

County- Wide Planning Policies

The County-Wide Planning Policies were adopted by King County jurisdictions, as mandated by the State Growth Management Act. They became effective when they were ratified by ordinance or resolution by at least 30 percent of the city and county governments, representing 70 percent of the population of King County according to interlocal agreement.

The County-Wide Planning Policies identify Urban and Manufacturing/Industrial Centers (M/I Centers), stating that:

"Manufacturing/Industrial Employment Centers are key components of the regional economy. These areas are characterized by a significant amount of manufacturing, industrial, and advanced technology employment. They

differ from other employment areas, such as **Business/Office** parks in that a **land** base and the segregation of major non-manufacturing uses are essential elements of their operation.” Within the Urban Growth Area, the County-Wide **Planning Policies** shall assure the creation of a number of **locally** determined **Manufacturing/Industrial** Centers which meet **specific** criteria.

Seattle Comprehensive Plan

The Seattle Comprehensive Plan (adopted 1994) implements the County-Wide Planning Policies with its goals and policies that identify and support its two M and I Centers. Comprehensive Plan policies are summarized below:

Manufacturing and Industrial Centers

- (Goal G1) Ensure that adequate accessible industrial land is available to promote a diversified employment base and sustain Seattle’s contribution to the regional high-wage job growth.
- (Goal 31) Distribute the 131,400-146,000 jobs called for in this plan among the various areas of the City as follows:
 - Urban Centers 65 percent of job growth,
 - M/I Centers 10 percent of job growth (13,140-14,660 jobs),
 - Urban Villages 15 percent of job growth.
- (Goal 34) Achieve the following 20 year employment targets in M/I Centers:
 - North Seattle M/I Center: 3,800 jobs,
 - Duwamish M/I Center: 10,860 jobs.
- L27 Limit in industrial/manufacturing areas commercial or residential uses that are unrelated to the industrial function, that occur at the intensities posing short- and long- term conflicts for industrial uses, or that threaten to convert significant amounts of industrial land to nonindustrial uses. Establish new size of use limits for retail uses in the Industrial Commercial zone.
- L113 Designate industrial areas on the attached Future Land Use Map where:
 - The primary function is industrial activity, including industrial uses, advanced technology industries and a wide range of industrial-related commercial functions, such as warehouse and distribution activities.
- L115 Include among appropriate activities manufacturing uses, advanced technology industries and wide range of industrial-related commercial functions, such as warehouse and distribution activities. Of the highest priority are high value-added, high-wage industrial activities.
- L116 Permit commercial uses in industrial areas to the extent that they reinforce the industrial character, and limit specified nonindustrial uses, including office and retail development, in order to preserve these areas for industrial development.